

# Individual Investor Behavior Cognition Side: Investment Strategy, Investment Decisions, Optimal Portfolio, Executive Function and Learning Agility

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## Abstract

This research aims to create a stock investment decision model that can reduce future regret by reducing the cognitive bias of stock investors. Individual stock investors are expected to create their optimal portfolio. The psychological side of investors explores the cognitive and behavioral processes that result when there is a bullish or bearish market change with learning agility. Agility is the ability of individual investors to learn quickly, efficiently and effectively make investment decisions to form an optimal portfolio. This covers various aspects, including the way individual investors perceive, process and remember new information, the ability to apply acquired knowledge and skills previously used for stock transactions. This research uses the executive function (EF) of individual investors' brains so that they can reduce cognitive biases, while also validating the resulting models. The result is that the individual stock investor model has a Behavior Finance relationship which has a significant influence on Investment Decision of 5.193 (Sig.0.000), then the Executive Function also has an influence on Behavior Finance of 2.260 (Sig.0.024), and the optimal portfolio has an influence on Return on Investment of 2.260 (Sig.0.024). 6.203 (Sig. 0.000).

**Keywords:** Optimal Portfolio, Behavioral Finance, Executive Function, Learning Ability, Return on Investment